GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:110
ANSWERED ON:25.07.2006
GOLD POLICY .
Barad Shri Jashubhai Dhanabhai

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) Whether the Government proposes to announce a user-friendly gold policy;

(b) If so, the details thereof;

(c) Whether the proposed policy is likely to facilitate mutual funds to invest in gold; and

(d) If so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY(SHRI JAIRAM RAMESH)

(a) to (d): A Committee to examine the regulatory structure of the gold industry to make India a gold trading hub was constituted by the Government. The major recommendations of the Committee, submitted in October 2005, interalia, were relating to the areas of free importation of gold (bullion) by certain categories, free warehousing for gold (bullion), hallmarking, trading in bullion futures by banks and mutual funds, etc. In the budget speech for 2005-06, the Finance Minister announced the introduction of Gold Exchange Traded Funds

(GETFs) with gold as the underlying asset. Pursuant to this, Securities and Exchange Board of India (SEBI) had constituted a Committee for looking into all aspects of setting up of GETFs. Based on the recommendations of the Committee, SEBI had, in January 2006, amended SEBI (Mutual Funds) Regulations permitting mutual funds to introduce 'Gold Exchange Traded Funds Scheme' where the underlying will be gold or gold related instruments.